

Estate Planning

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- According to a 2007 survey, 55% of Americans don't have a Will and 59% don't have an Advance Directive to express their end of life medical wishes.

- If you don't have an estate plan, the state has one for you:
- Guardianship if you become incapacitated
- Your spouse will not get all of your assets if you have children or living parents
- No tax planning

- You choose who is in charge of your finances in the event of incapacity
- You direct your healthcare in the event of incapacity
- You choose who is in charge of your estate
- You designate the preferred guardian for your children

What does estate planning provide

- Estate planning minimizes taxes
- You can support your favorite charity
- Your heirlooms will go to who you want them to go to
- Limits for your 21 year old – responsible young adults are overwhelmed by sole ownership
- NUMBER 1 REASON—having your estate in order helps your heirs at a difficult time

What does estate planning provide

- Two parts to estate planning:
- Before death and after death
- Before death planning is just as important as after death planning if you want to make things easier for your family

Power of Attorney

Advance Directive

- Appoints someone to make financial decisions for you while you are living
- Can be effective immediately or upon disability
- Person appointed is called an “agent”
- Best to include a successor agent
- A Power of Attorney dies with you

Power of Attorney

- Appoints someone to make decisions about your healthcare based on your directions
- Can state your intentions regarding life support
- Important for HIPAA/ privacy laws
- Generally effective immediately, but if you can communicate your directions are followed
- Person appointed is called an “agent” and best to include a successor agent

Advance Directive

- Two types of after death documents can effect your wishes:
- Will
- Revocable Trust, often marketed as a Living Trust
- Planning can be done in either vehicle

Testamentary Documents

Will

Revocable Trust

- Designates the Personal Representative
- The Personal Representative gathers assets, pays bills and taxes and distributes what is left as you have designated
- Wills can designate guardians, trustees, tax saving trusts, trusts for children and for those who have special needs or may not be financial responsible
- The PR must probate the Will

Will

- A revocable trust is a trust that you set up during your lifetime
- You retain full control of your assets and can revoke or amend the trust as long as you have capacity
- It will allow you to avoid probate if your assets are titled properly
- Very helpful if you own real estate in another state

Revocable Trust

- Allows management of assets if incapacitated
- Requires a pour over Will
- Can include tax saving trusts, trusts for children and for those who have special needs or may not be financial responsible
- Requires transfer of assets to the trust

Revocable Trust

- Estate planning is easier when you are healthy
- Avoiding estate planning won't stop you from dying
- Let your wishes control and make things easier for your family

Emotional Blocks to Estate Planning